TITLE

REMUNERATION OF DIRECTORS AND COMMITTEE MEMBERS

1. PURPOSE

This Policy is designed to establish the guidelines for compensation of the members of the Board of Directors, Fiscal Council, Management Board, and the Committees of ENGIE Brasil Energia S.A. ("Company").

2. DEFINITIONS

2.1 REMUNERATION
A form of financial compensation, with a fixed and/or variable amount in return for the fulfillment of duties and obligations.

2.2 MANAGEMENT
Employee Officers, members of the Board of Directors, Fiscal Council and any other bodies with technical or consultative functions, created by statutory provision.

2.3 COMPANY
ENGIE Brasil Energia S.A.

2.4 CONTROLLER
ENGIE Brasil Participações Ltda.

2.5 ECONOMIC GROUP
ENGIE S.A.

2.6 SHAREHOLDER
The person, natural or legal, or group of people bound by voting agreement, or under common control, that hold shares in the Company and that have powers of election of Management and of control, pursuant to Law 6404/1976 and its subsequent amendments.

3. PRINCIPLES

3.1 SCOPE

3.1.1 This policy applies to the members of the Board of Directors, Fiscal Council, Management Board and the Committees of the Company.

3.2 GENERAL

3.2.1 The remuneration of Management is designed to attract and retain professionals aligned to the guidelines of business, values and culture of the Company with a focus on its longevity and the creation of value. The volume and form of remuneration reflects the analysis of the labor market, the knowledge required to exercise the function, the complexity of the activities and the results produced.

3.2.2 The objective is to reward the efforts expended in the construction of the Company's values and results and to motivate the meeting of business and strategic objectives, reflecting the culture and values of the Company and its Controlling Company. The modus operandi involved may be reevaluated by the Controlling Company in line with the guidelines established globally by the Economic Group.

3.2.3 The amounts of the remuneration of the members of the Board of Directors, Statutory Board, Fiscal

Cópia não controlada

Council and the Committees of the Company are proposed by the Controlling Company, pursuant to the criteria established in a global context, and subsequently approved at the Company's Annual General Meeting. Such amounts remain unaltered during the fiscal year, these being decided for each year according to limits approved by the Annual General Meeting for the fiscal year (January to December).

3.2.4 No members sitting on the Board of Directors, Statutory Board, Fiscal Council, and on the Advisory Committees are unremunerated by the Company or by the Controlling Company.

3.2.5 No remuneration or benefit exists which is bound to an occurrence of a given corporate event such as the sale of corporate control of the Company.

3.2.6 Depending on the function exercised, the executive may receive monthly fixed remuneration, and an annual bonus and/or a long-term incentive, as well as a basket of fringe benefits, as described below:

a) *Fixed remuneration* is the monthly payment of a fixed amount to the executive and representing financial compensation for their efforts. It is decided according to the nature and responsibilities of each position, based on market surveys undertaken periodically by specialized consultancies.

b) *Variable remuneration* may be paid annually according to financial, operational and occupational health and safety results of the Company, the achievement of previously negotiated goals together with managerial and behavioral aspects of the executive. Consequently, this represents a bonus which is linked directly to performance in the preceding fiscal year.

c) The *long-term incentive* is based on a Phantom Shares plan involving a specific deferred bonus paid in cash 4 years after the grant date linked to the achievement of financial indicators. Also, in the form of long-term incentive remuneration, the Economic Group of which the Company is a part, has a Group Stock Option Policy, at preestablished values, and a Performance Shares program tied to the Group's future results.

d) *Fringe benefits* are granted to executives as a way of guaranteeing social conditions and healthcare necessary for the position they occupy in the Company and incorporating assistance in recovery to full health, annual medical check-up, food vouchers, life insurance and complementary pension plan.

3.2.7 Each organ has a remuneration composition in effect as follows:

a) Board of Directors

- All members receive Fixed Remuneration, with differentiation between effective members and alternates, paid in 13 equal amounts during the fiscal year.
- The members of the Board of Directors are not entitled to fringe benefits, except in the case of the Chairman and the members elected by the Company's employees.
- The effective and alternate members elected by the employees, if employed by the Company, will maintain active the employment contract, receiving normally fix and variable remuneration, in addition to effective and alternate board fees, respectively.
- The Chairman of the Board's variable remuneration is calculated in accordance with criteria stipulated by the Controlling Company based on the results achieved by the

Cópia não controlada

Company, details of which are specified in the Company's Reference Form.

b) Fiscal Council

- All members receive a fixed remuneration, with differentiation between effective and alternates members, paid in 13 installments in pro-labore payments from during the fiscal year, the amount of which is approved by the Annual General Meeting. Such a pro-labore payment for each effective member in a fiscal year may not be less than 10% of the average monthly remuneration of statutory directors excluding benefits and variable remuneration. Fiscal Council members do not receive variable remuneration and are not entitled to fringe benefits.

c) Statutory Board

- The members receive fixed remuneration paid in 13,33 installments during the fiscal year plus variable remuneration.
- The amount of the variable remuneration is measured in accordance with the position of the executive, fulfillment of collective and individual objectives, results of the Company, and at a lower percentage, in accordance with the Economic Group's results.
- To ensure the generation of value for the Company, these executives are entitled to a long-term incentive, linked to the performance of Phantom Shares and corporate indicators and also to Performance Shares and the Group's Stock Option Policy.
- The fringe benefits offered to the Statutory Officers cover healthcare insurance and assistance programs for prevention and recovery to full health, annual medical check-up, food vouchers, life insurance and complementary pension.

d) Independent Committee for Transactions with Related Parties

- The remuneration of the committee is decided by the Board of Directors per project, no higher than 1 (one) additional remuneration per month to committee members already occupying positions in the Company. On convening, the Board of Directors must decide the duration of the committee's functioning and payment of remuneration.

e) Statutory Audit Committee

- All members receive Fixed Remuneration, paid in 13 installments during the fiscal year.
- Committee members who perform other duties in Company's Board of Directors, will cumulatively receive fees as board member and as audit committee member.

f) Strategic Committee

- The members of the Strategic Committee do not receive additional remuneration for participating in the Committee.

g) The remaining Committees of the Company, not provided for in the previous clauses, as well as all the thematic Forums, comprise members who already receive remuneration in accordance with their respective functions and positions in the Company. No additional remuneration is granted for participation as members of these organs.

Cópia não controlada

NOTE: Exception for cases where there are Board of Directors representatives in these organs, whose remuneration (or lack thereof) will be determined by the Board itself on a case-by-case basis.

3.3 PERFORMANCE INDICATORS

3.3.1 The financial indicators used are set annually and may include evolution of the Company's EBTIDA, free cash flow, net result etc.

3.3.2 The non-financial indicators used may include the meeting of corporate objectives, operational and occupational health and safety results. In addition to the non-financial indicators against which the executives are evaluated annually, are behavioral and managerial issues.

3.4 REMUNERATION BORNE BY SUBSIDIARIES, CONTROLLED OR CONTROLLING COMPANIES, DIRECT OR INDIRECT

3.4.1 No payments are made by subsidiaries or companies with control shared with partners external to the Economic Group. In the case of remuneration for participation on their boards, the net amounts recognized in the result of such directly controlled companies are deducted from the executive's variable remuneration in the company of origin.

3.4.2 The Controlling Company is responsible for payment of the remuneration of the Chairman of the Board of Directors and part of this amount is subsequently reimbursed by the Company to the Controlling Company.

3.5 UPDATES TO THIS POLICY

3.5.1 Annually, the Company shall reevaluate adherence to this policy in relation to what is practiced and any need for amendment or updating shall be approved obligatorily by the Board of Directors and notified to the Brazilian Securities and Exchange Commission - CVM and to the Stock Exchanges.

Cópia não controlada